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RUEHQ/AMEMBASSY QUITO 5000  
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E.O. 12958: DECL: 03/29/2017  
TAGS: ECON PGOV PREL BL VE  
SUBJECT: VENEZUELA SUPPORTING BOLIVIAN MAYORS

Classified By: Ambassador Philip S. Goldberg for reasons 1.4 (b) and (d).

¶1. (S/NF) Summary: Post has received reports of Venezuelans making direct payments to Bolivian mayors in order to garner support for President Morales in the run-up to the proposed 2008 national elections. In mid-March, an Embassy official received a copy of a \$50,000 check from the Government of Venezuela payable to a Bolivian mayor. The Venezuelans are providing funds directly to local municipalities in coordination with President Morales in order to promote mayors from Morales' Movement Towards Socialism (MAS) party and circumvent opposition prefects. This is being done through the government's "Evo Cumple" (Evo Achieves) campaign. There is evidence that Venezuelan payments to Bolivian mayors could add up to USD \$1 million. End summary.

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Venezuelans on the Campaign Trail  
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¶2. (S/NF) Post has received reports of Venezuelans making direct payments to Bolivian mayors in mostly rural towns in cooperation with the GOB. In addition to providing assistance, the effort is intended to shore up support for President Morales in the run-up to the proposed 2008 national elections. An opposition politician provided an Emboff with a copy of a \$50,000 check that the Government of Venezuela wrote out to the mayor of Las Carreras, a town in Chuquisaca Department. With new elections on the horizon for late 2008, President Chavez is using Venezuelan funds to help boost Morales' popularity.

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Increased Power for Mayors  
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¶3. (U) The Venezuelans have made clear that they are providing funds directly to local municipalities in order to promote MAS mayors and undermine opposition prefects. President Morales essentially legalized Venezuelan payments to mayors via a March 27 executive decree providing mayors more control over monetary donations to their municipalities. Under Decree 20979, mayors can now directly procure more

than USD \$225,000 in funds for municipal projects. (Note: Under the old law, mayors were only authorized to direct donations of up to USD \$20,000). Morales defended the decree by claiming that increased resources for mayors would eliminate layers of bureaucracy and allow social movements to control funding in their municipalities.

¶4. (S/NF) Comment: While there is evidence that Venezuelan payments to Bolivian mayors could add up to USD \$1 million, the copy of the \$50,000 check is the first piece of concrete evidence that we have seen linking Venezuelan funding to Bolivian mayors. Given the large number of mayors in Bolivia, it would cost over USD \$100 million to pay them all off. As the end of the Constituent Assembly and the proposed national elections approach, we estimate that the GOV will increasingly fund municipal projects in Bolivia. Venezuelan funding to mayors, as well as the executive decree augmenting mayoral authority over monetary donations, will likely buy Morales some political support at the expense of the opposition, at least in the short-term. End comment.

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